

Louisiana Property and Casualty
Insurance Commission
Louisiana Department of Insurance
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Louisiana Property and Casualty
Insurance Commission
Monthly Report
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Property and Casualty Filing Seminar

An insurance form and rate-filing seminar was recently held at the Department of Insurance, and was presented by the Office of Property and Casualty.

Registered participants were welcomed to the seminar by Commissioner of Insurance Robert Wooley. Paula Davis, Deputy Commissioner of Property and Casualty, introduced the staff of the Property and Casualty office. Staff members from the Louisiana Property and Casualty Insurance Commission, Insurance Rating, Forms and Compliance, and Company Licensing facilitated sessions for the daylong seminar.

Each participant received a handbook of detailed and specific information to assist them in preparing and submitting form and rate filings. Special emphasis was placed on the filing requirements, which includes filing fees, the approval process, recent regulatory actions, released advisory letters and filing disapproval reasons.

Regulation 78, adopted January 1, 2003, was reviewed. This regulation provides for the uniform and practicable administration of policy forms and allows for expedited review and approval processes.

The newly created Policy Form Matrix (PFM) was also discussed. The PFM provides insurers the ability to search for the filing and legal requirements applicable to specific product types. The PFM will also generate the Statements Of Compliance required by Regulation 78 to be submitted with most filings. Personal Matrix training was also available. Some of the other topics discussed were SERFF (System for Electronic Rates and Forms Filing), terrorism and mold issues.

Representative Troy Hebert, Chairman of the Louisiana House Insurance Committee, was the guest luncheon speaker. Representative Hebert gave an overview of the 2003 property and casualty legislation.

Cajun Humorist, Kent Gonsoulin entertained the group during an afternoon break. James Donelon, Chief Deputy Commissioner, gave the closing remarks.

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- ◆ *The Monthly Report* is the newsletter of the Louisiana Property and Casualty Insurance Commission, Louisiana Department of Insurance, 1702 N. 3rd Street, 3rd Floor, P.O. Box 94214, Baton Rouge, LA 70804-9214 225-342-7187 (PH) 225-342-6057 (FX)

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- LA Property & Casualty Insurance Commission Staff**

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- ◆ The Louisiana Property and Casualty Insurance Commission was created by the enactment of R.S. 22:15 in the 2001Regular Session of the Louisiana Legislature to review and examine the availability and affordability of property and casualty insurance in the state of Louisiana. The commission will also undertake a comprehensive study and provide oversight and enforcement recommendations of the effectiveness of law enforcement and implementation of programs aimed at enforcement throughout the state of those laws and programs which affect property and casualty insurance rates.



Lightning - Facts and Safety

Living in the south, one is accustomed to summer thunderstorms, often accompanied by dangerous lightning. Two thirds of all lightning strikes occur in June, July and August. These summer storms can be dangerous for people and property.

Each year there are over 300 injuries and nearly 100 deaths from lightning strikes, making it the second most deadly natural disaster next to flooding. According to the Federal Emergency Management Agency, electrical storms cause over 100,000 forest fires each year and approximately \$100 million dollars in property damage.

It is important that everyone knows and reviews these safety tips regarding an electrical storm.

When lightning is present:

Do not use the telephone unless it's an emergency. Stay away from electrical appliances, TVs, fireplaces, windows and doors. Avoid taking a bath or shower during the storm.

If you are caught outside:

Find shelter immediately in an enclosed building or vehicle. If a shelter is not available, find a low-lying area, and crouch down with feet together and hands on knees. Avoid isolated trees, high ground, bodies of water and large open areas. Avoid open vehicles. If boating or swimming when a storm strikes, get to land and find shelter immediately.

Just remember, if you hear thunder, lightning is already dangerously close.

Insurance Credit Scoring

Many lawmakers in this country faced the question of regulating or banning credit-based insurance scoring in this legislative season of 2003. This subject was an issue with as many as 40 states, including Louisiana.

Credit scoring has been used for commercial lines nationwide for decades. The recent discussion centered on personal lines, homeowners and auto. Most legislation introduced this year seemed to permit the use of credit scoring but provided consumer protections. In Louisiana, House Bill 1448 (Act 1265) pertains to this subject, setting requirements and restrictions on the use of credit scoring for personal insurance.

As early as May 1st, nine states had adopted some form of credit scoring legislation. These states included Arkansas, Arizona, Georgia, Indiana, Kansas, Nebraska, North Dakota, Oklahoma and Virginia. Some of these states have based a portion of their legislation on a model that was presented by the National Conference of Insurance Legislators (NCOIL). This model seems balanced between fairness to the consumers and the underwriting guidelines of insurance companies. The model prohibits the use of credit information as the sole basis for refusal to insure or to nonrenew or cancel. It also requires notifying the applicant that credit information will be used in underwriting and rating.

With some legislative sessions ending mid-summer, several more states adopted credit scoring legislation. These include Nevada, Ohio, Washington, Florida, Texas and California. Michigan and Pennsylvania are expected to take some action on this issue before their yearlong legislative sessions end.

Announcement

Louisiana Property and Casualty Insurance Commission Members		
Commissioner Robert Wooley		Tom O'Neal
Jeff Albright		Theodore "Ted" Haik, Jr.
Col. Jim Champagne	Representative Shirley Bowler	Aubrey T. Temple, Jr.
Senator Donald R. Cravins	Representative Dan Morrish	Dan Boudreaux
Senator Max Tatum Malone	Terry Lisotta	Lt. Col. John LeBlanc
Rodney Braxton	Kay Hodges	Chad Brown
Sheriff Greg Champagne	Richard Clements	Earl Taylor

Commissioner Robert Wooley invites you to attend a press conference on August 14th at 2 PM at the Department of Insurance, Plaza Hearing Room, to kick off the ASSURE (Alliance for Sound State Uniform Regulatory Efficiency) program in Louisiana. Guest speaker will be Mike Pickens, Arkansas Commission of Insurance and President of the National Association of Insurance Commissioners. We welcome your attendance. For more information or to become a member, please contact Terrell Moss at (225)342-5281 or tmoss@ldi.state.la.us.